

19____ Nonresident Withholding Installment Sale Agreement

597-C

Attach this form to the back of Form 597-A.

Part I To be completed for an installment sale.

Name of transferor (seller)

Name of transferee (buyer)

Address of California real estate being sold

Basis of California real estate being sold

Address or location of replacement real estate

Transferor (Seller) Agreement

As a condition to allow a modification to the withholding requirements under California Revenue and Taxation Code (R&TC) Section 18662, the transferor(s) (seller(s)) agree(s) to do the following:

1. file California tax returns for the year of sale and any year in which principal payments are received on the note;
2. make estimated tax payments that reflect the tax due on principal payments received; and
3. notify the Franchise Tax Board (FTB), Withhold at Source Unit, of any final payment or disposition of the note.

If the transferor(s) (seller(s)) does not comply with the conditions of this agreement, the FTB has the authority to issue assessments, (including penalties and interest) and to enforce collection through, but not limited to, the use of orders to withhold, liens, etc., on the note held by the buyer or any other funds identified by the FTB.

Signature of transferor (seller)

Date

Social security number or federal employer identification number

Signature of transferor (seller)

Date

Social security number or federal employer identification number

General Information**When and Where to File This Form**

Form 597-C, Nonresident Withholding Installment Sale Agreement, should be included with Form 597-A, Nonresident Withholding Waiver Request for Real Estate Sales, when a seller requests a reduced withholding amount or waiver, based on the fact that the transfer is intended to be an installment sale or an exchange transaction with installment provisions.

The appropriate agreement for the type of transaction (installment sale on Side 1 or exchange with an installment provision on Side 2) must be completed and signed by the transferor(s) (seller(s)), and the accommodator/intermediary or entity in control of the funds, where applicable.

A copy of the installment note must be included with your request to expedite processing.

Send completed Forms 597-A and Forms 597-C, a copy of the installment note and any questions to:

**Franchise Tax Board
Withhold at Source Unit
P.O. Box 651
Sacramento, CA 95812-0651
Telephone (916) 845-4900
FAX (916) 845-4831**

Part II To be completed for an Internal Revenue Code (IRC) Section 1031 exchange with an installment provision.

Name of transferor (seller)		Name of transferee (buyer)	
Name and address of accommodator/intermediary		Daytime telephone number of accommodator/intermediary ()	
Address of California real estate being sold		Basis of California real estate being sold	
Address or location of replacement real estate			

Transferor (Seller) and Accommodator and/or Intermediary Agreement

The undersigned transferor(s) (seller(s)) of the California real estate listed above hereby certify, under penalty of perjury, that it is the intent of the transferor(s) to treat the transfer of this property as the first leg in a tax-free exchange as defined under IRC Section 1031.

The parties agree that:

1. if the exchange takes place, and the transferor(s) (or their beneficiary(ies)) receive(s) cash or cash equivalent as non-like kind property in the exchange, and such cash or cash equivalent exceeds \$1,500, then the amount required to be withheld will be 7 percent of any cash or cash equivalent received by the transferor(s) (or their beneficiary(ies)); or
2. if the exchange does not take place, then the amount required to be withheld will be 3 1/3 percent of the total sales price of the property.

The transferor(s) (seller(s)) further agree(s) that California tax return(s) will be filed reporting the transaction, and that the FTB, Withhold at Source Unit will be notified within 10 days after expiration of the 180 day statutory period applicable to deferred like-kind exchanges if the exchange does not take place.

The transferor(s) (seller(s)) further agree(s) to do the following:

1. file California tax returns for the year of sale and any year in which principal payments are received on the note;
2. make estimated tax payments that reflect the tax due on principal payments received; and
3. notify the FTB, Withhold at Source Unit, of any final payment or disposition of the note.

The accommodator/intermediary or other entity in control of the funds agrees to be liable for withholding the correct amount specified above. The accommodator or other entity in control of the funds agrees to remit all withheld amounts to the FTB using Copy A of Form 597, Nonresident Withholding Tax Statement for Real Estate Sales. Get Form 597 for information on remitting the amount withheld.

_____ Signature of transferor (seller)	_____ Date	_____ Social security number or federal employer identification number
_____ Signature of transferor (seller)	_____ Date	_____ Social security number or federal employer identification number
_____ Signature of accommodator/intermediary	_____ Date	_____ Title